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ABSTRACT

A national survey of college and university retirees in Spring 1990 sought to help institutions to assess benefit programs and provide services for retirees. The survey involved a nationwide cross section of 130 institutions of higher education from which responses were received from 19,126 retirees (40 percent retired faculty). Questions covered a broad range of retirement issues. Results showed that 90 percent of respondents were satisfied with retirement; that 76 percent retired by choice and 16 percent not by choice; that nearly half retired before age 65; that faculty retirement age patterns are changing with more faculty staying to age 70 or later; that 37 percent had prepared thoroughly for retirement; that most felt their institutions had not helped them plan for retirement; that most listed Social Security and their final employer's retirement plan as their sources of retirement income; that median household income was $30,000; that there was a close relation between financial status and level of general satisfaction in retirement; that 40 percent had worked for pay since retiring; that 31 percent had moved since retiring; that 45 percent reported excellent health; and that 54 percent said they were now generally "very happy" with life. The report offers seven suggestions for institutions on how to improve their services to staff moving into retirement. (JB)

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Research Dialogues

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The NACUBO/TIAA-CREF Survey of College and University Retirees

This issue of *Research Dialogues* reports on the findings of a national survey of college and university retirees, jointly sponsored by the National Association of College and University Business Officers (NACUBO) and TIAA-CREF, and carried out in the spring of 1990.

The NACUBO/TIAA-CREF study of retirees was undertaken to help individual institutions anticipate and provide more effectively for the retirement needs of faculty and staff. Designed to provide data that could be helpful in assessing retirement benefits, programs for preretirement planning, and services for retirees, the survey has also provided information on the general situation of college and university retirees.

A nationwide cross section of 130 institutions participated in the survey at NACUBO's invitation by sending questionnaires to their retired staff. The questionnaire was based on a similar survey conducted by TIAA-CREF in 1982.[1] Responses were received from 19,126 retirees.

The questionnaire covered a wide variety of subjects, including satisfaction with retirement; the decision to retire; the retirement age selected; financial and other preparation for retirement; retirees' perceptions of the roles played by their institution both before and after retirement; sources of income and income adequacy; postretirement employment; health; personal concerns; and suggestions about how to improve the retirement experience.

Satisfaction with Retirement

Generally, the survey respondents expressed positive feelings about retirement. Over 90% were satisfied: 54%, very satisfied; 38%, reasonably satisfied. Just 4% said they were not satisfied, while 4% were not certain or gave no answer. Faculty and administrators were most likely to be very satisfied with retirement (60%), and maintenance staff least likely (43%).

Of the few respondents who viewed retirement in negative terms, most said they were unhappy about being forced to retire from work they enjoyed or they had a severe health problem. Of the respondents who viewed retirement positively, many said it provided relief from unpleasant aspects of work and allowed them freedom to do what they desired.

Reasons for Retiring

Three-quarters (76%) of the respondents reported they retired by choice; 16%, not by choice; and another 8% said something else or gave no answer.

The respondents who retired voluntarily did so primarily because they considered retirement more desirable than continued employment. When asked to indicate the "main reason" for retiring when they did, some respondents gave

Characteristics of Respondents

Former occupation. Retired faculty made up the largest portion of respondents (40%), followed by administrative support and maintenance support staff (15% each). The other categories were administration or management (13%) and other professional or technical staff (10%). Six percent did not respond to the question on former occupation. Table 1 shows the distribution of respondents by former occupation and by sex.

Age. The average age of respondents was 71.1 years, the median 70.9. Fifteen percent were under age 65; 28%, age 65-69; 25%, 70-74; 16%, 75-79; and 12%, 80 or older; 4% did not respond to the question on age.

Sex. Fifty-six percent of respondents were men; 44%, women. Six in seven men and three in seven women were currently married. The unmarried women were either widowed (33%, compared with 7% of men); never married (14%, compared with 4% of men); or divorced (9%, compared with 3% of men).

Former institution. More than half of respondents (63%) had retired from research and other doctoral-granting universities. One-fifth had retired from comprehensive institutions and one-tenth from liberal arts colleges, with the remainder coming from two-year and other types of institutions. By institutional control, almost two-thirds came from public institutions; the rest, private.

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more than one reason. The most common, reported by 46% overall, was simply that they had planned to retire at that age. The next most common statement, made by 35%, was that they felt it was time to retire. Other reasons were "wanted to do things besides work" (27%); "retirement income was sufficient to do so" (27%); "wanted more time for self and/or family" (22%); and "unhappy with work situation" (15%). Having achieved sufficient income to retire was cited by 36% of faculty; 27% of administrators, managers, other professionals, and technicians; and 15% of support staff.

Among the 16% who said their retirement was involuntary, almost half said they had reached the employer's mandatory retirement age. Other reasons for forced retirement included informal pressures, disability, and poor health. When involuntary retirement was broken down by the respondents' former occupation, it appeared that two-thirds of former faculty, but only one-fourth of the maintenance staff, said they had reached the employer's mandatory retirement age. Maintenance staff were four times more likely than faculty to report retirement for disability.

Age at Retirement

Table 2 shows the distribution of respondents by the age at which they retired. About half of all respondents retired before age 65. Twenty-four percent retired at age 65, 15% between ages 66 and 69, and 5% at age 70 or later. Another 6% gave no answer.

As Table 2 shows, the age of retirement tends to differ according to the respondents' former occupation. Faculty were more likely to retire at older ages than other groups. Twenty-eight percent of faculty reported working beyond age 65, compared with from 13% to 17% of the others. As for continuing to work to age 70 or beyond, the percentage was not high for any group—8% for faculty and 4% or less for others.

Respondents were asked if they were satisfied with the retirement age they had selected. Generally speaking, those who retired by choice were satisfied. Nonetheless, over 20% of those who were satisfied said that in retrospect they would (or might) have done it differently, and most of these believed they would have chosen a later retirement age.

Recent Age Patterns of Faculty Retirement

Retirement ages of faculty are of course related to age discrimination laws. A 1978 amendment to the federal Age Discrimination in Employment Act (ADEA) of 1967 raised from 65 to 70 the earliest age at which retirement could be mandated, but granted until July 1, 1982, an exception that permitted institutions to continue compelling retirement at age 65 for tenured employees. ADEA amendments in 1986 eliminated mandatory retirement altogether, starting in 1987, but again granted an exception, this time permitting compulsory retirement of tenured employees at age 70 through December 31, 1993. (As noted below, some state laws have already prohibited mandatory retirement of tenured employees.) As part of the 1986 ADEA amendments, Congress asked the National Academy of Sciences to study the effect that ending the federal exception would have on higher education.

The Committee on Mandatory Retirement in Higher Education, reporting in May 1991, concluded that a continued exemption of tenured faculty from overall federal policy would not be justified by the results of its study. The com-

Table 1

Distribution of Respondents by Former Occupation and Sex

Former Occupation	Total Respondents		Males		Females	
	Number	Percent	Number	Percent	Number	Percent
Faculty	7,618	40%	5,721	55%	1,770	22%
Administration or management	2,463	13	1,451	14	960	12
Professional or technical staff	1,987	10	910	9	1,048	13
Administrative support staff	2,887	15	110	1	2,729	34
Maintenance support staff	2,960	15	1,879	18	986	12
No response	1,211	6	298	3	561	7
Total[a]	19,126	100%	10,369[b]	100%	8,054[b]	100%

[a] Some percentages may not add to 100 because of rounding.

[b] These totals exclude 703 respondents who did not give their sex.

Table 2

Distribution of Respondents by Retirement Age and Former Occupation
Percent of Respondents

Age at Retirement	Total Respondents	Faculty	Admin. or Mgt.	Prof. or Tech. Staff	Admin. Support Staff	Maint. Support Staff
Under 65	49%	43%	57%	56%	58%	52%
65	24	24	21	23	22	26
66 to 69	15	20	13	13	13	10
70 and over	5	8	4	3	3	3
No response	6	4	5	5	4	9
All ages combined[a]	100%	100%	100%	100%	100%	100%

[a] Some percentages may not add to 100 because of rounding.

mittee found that at most institutions, few tenured faculty would work past age 70 if mandatory retirement were eliminated. But it noted that at some research universities, a higher proportion now work until 70 and might choose to work past that age if mandatory retirement were eliminated.[3]

Table 3

Distribution of Faculty Retirees by Age at Retirement and Length of Time Retired

Age at Retirement	Number of Years Retired	
	3 Years or Less	4 Years or More
Under 60	12%	14%
60 to 64	33	31
65	19	28
66 to 69	23	20
70 and over	13	7
Total	100%	100%
Number of respondents*	2,057	5,250

* Length of time retired was not reported by an additional 311 faculty respondents.

As legislation has progressively limited age-mandated retirement, are relatively more faculty staying on to later ages? Are there retirement age differences among different types of institutions? To address these questions, we analyzed the survey's large retired faculty data base and compared the ages of retirement of two subgroups: those who retired in the last three years (recent retirees) and those who retired four or more years ago (less recent retirees). Table 3 shows the comparison.[3]

The data show that more recently retired faculty as a whole chose to retire at somewhat later ages than the less recently retired. Among faculty, 36% of more recent retirees chose an age later than 65, compared with 27% of less recent retirees. The so-called normal retirement age of 65 was chosen by 19% of recent faculty retirees, compared with 28% of earlier retirees. Conversely, the choice of age 70 or over showed an increase in recent years, with 13% of recent retirees reporting it compared with 7% of less recent retirees.

The age data suggest that faculty retirement patterns are changing and that the percentage staying to age 70 or later may not have ceased an upward drift. Changing economic conditions may be involved, but there seems little doubt that legislative changes are the major factor. In its 1991 report, the Committee on Mandatory Retirement in Higher Education found that more than a third of the states had already bypassed federal legislation, eliminating mandatory retirement for tenured faculty in public institutions, and some had eliminated it for private institutions as well. Most of this "uncapping" has been done in the last three years.[4]

Among recently retired faculty, there were significant differences in ages at retirement by institutional type and control (Chart 1). Faculty who retired from research universities appeared more likely to have postponed retirement beyond age 65 than faculty from other four-year institutions. The percentage postponing retirement was particularly high in private research universities. Faculty were noticeably more likely to retire later from private than from public institutions, as has also been noted in other recent studies.[5]

Preparation for Retirement

Asked to look back at their own planning for retirement, less than two-fifths of all respondents (37%) thought they had prepared for it very thoroughly. About half (47%) said they had engaged in some, but not thorough, preparation. Eleven percent reported they had not planned for retirement at all. The rest were not certain or gave no answer.

Not surprisingly, thorough advance planning appears to have definite advantages for retirees. Respondents who said they had done a very thorough job of preparation were almost twice as likely to be "very satisfied" with retirement than those who had engaged in some, but not thorough, advance planning. They were also more likely to say that their overall financial situation was better now than when they retired (36% versus 23%), and less likely to say it was worse now (9% compared with 19%). Chart 2 shows the reported relationships between planning and satisfaction.

Retirees were asked whether there was any area of retirement planning to which they wished they had given more attention. One-third said "yes." Slightly more than half said "no." "Not certain" was reported by 8%; 4% gave no answer. Those who wished they had given more attention to planning tended to be less satisfied with retirement and to report that they were in a worse financial situation than before retirement. Asked what they would have given more attention to,

Chart 1

Faculty Retirees Who Retired after Age 65, by Length of Time Retired and Type of Institution

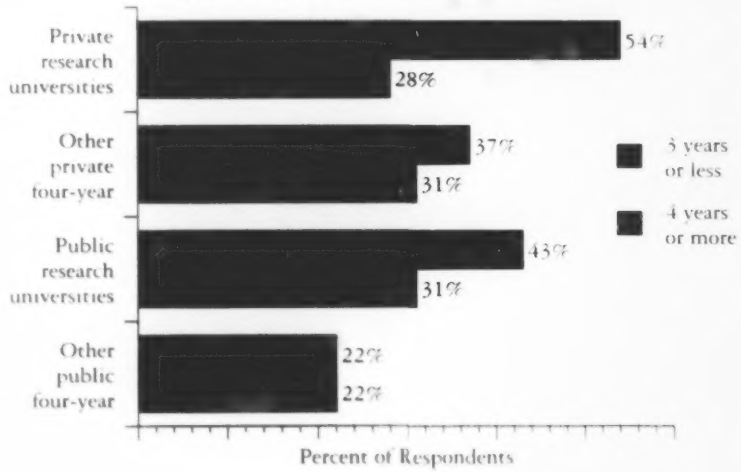
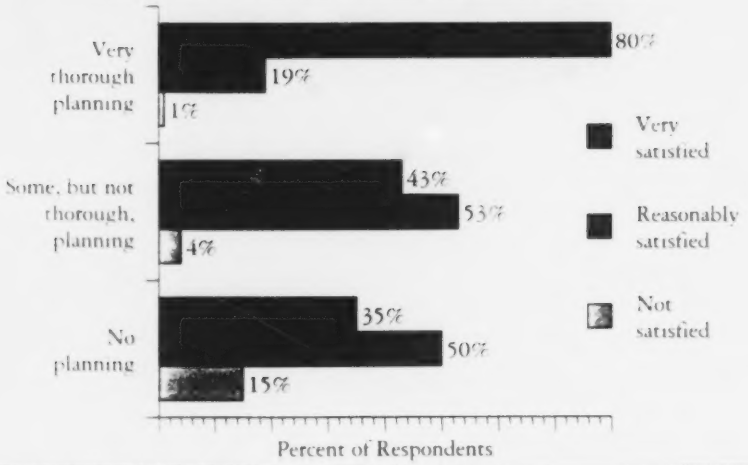


Chart 2

Relationship between Thoroughness of Planning for Retirement and Degree of Satisfaction with Retirement



three in four said "finances"; one in six, "health"; one in six, "activities"; and one in seven, "housing or location."

The subject of finances elicited many comments in an open-ended section of the survey. Many respondents wished they had saved more money for retirement; others urged future retirees to put more aside for retirement while working. A typical statement: "The standard retirement plan's income is not enough. You have to put in extra—as much as you can." Some emphasized the importance of tax-deferred savings opportunities for educators:

> I wish we had started putting money into an SRA [Supplemental Retirement Annuity] long before we did. We have about $60,000 sitting in SRAs now; with just a little more effort (earlier start), it could be $100,000. I do think our Personnel Office should emphasize the merits of the SRA program much more than it does.

Despite the fact that a third of respondents regretted not giving more attention to certain areas of planning, almost nine-tenths said that in general they were satisfied with the preparations they made for retirement: 39%, very satisfied, and 49%, reasonably satisfied. Six percent were not satisfied, while another 6% were not certain or gave no answer.

Asked about their views of preretirement programs, almost three-quarters said they felt formal preparation programs are useful; 20% were not certain; and 5% thought they are not useful.

Roles Played by the Institutions

Most respondents believed their institutions had been rather inactive in helping them plan for retirement. Less than a fourth (23%) said they had received counseling or other assistance from the benefits or personnel office in planning for retirement. Of those who received counseling or other aid, almost all said it was helpful: 51%, very helpful; 44%, somewhat helpful. There was a strong correlation between institutional assistance, when reported, and degree of satisfaction with retirement.

In their personal commentaries, some retirees praised the assistance of the institutional staff who helped them make their way through the preretirement maze—to understand pension income options, complete application forms, avoid Medicare problems, analyze health insurance provisions, and learn what facilities, institutional privileges, and sponsored activities were available for retired staff. This assistance, they said, helped take some of the anxiety out of retiring and left them feeling cared for and cared about.

Adequacy of the Pension Plan

Retirees were asked, "In your opinion, while you were employed at this institution, was the retirement plan set up to provide retired employees with adequate pensions?" About two-fifths replied "yes"; one-fourth, "no"; roughly another fourth, "not certain." The remaining 8% gave no answer. Retirees from private institutions were somewhat more likely to say "no" than those from public institutions.

The perceived adequacy of an institution's pension plan varied according to the age of respondents (Chart 3). Older respondents were less likely to think the institution's plan was set up to provide adequate pensions.

The survey asked retirees whether their pension income at retirement was about what was expected. Half of the respondents said the actual amount was "about what was expected"; one-fifth said it was "somewhat less"; and one-twentieth said it was "somewhat more." The remainder either had not thought about it beforehand (9%), were not certain (7%), or gave no answer (9%).

Sources of Retirement Income

Respondents were asked to list the sources of their retirement income, including spouse's income, if married (Chart 4). Nine in ten respondents listed income from Social Security, and almost the same proportion listed their final employer's retirement plan. Three in four reported income from savings accounts, stocks, bonds, etc., and three in ten from IRAs, Keogh plans, or personal tax-deferred annuities (SRAs, TDAs).

Respondents were asked which source provided the largest part of total household income. About a third (32%) said Social Security; almost as many (31%) said the pension plan of their final employer; 6% said the pension plan of another employer in either the public or private sector (Table 4).

There were notable differences in the largest source cited, depending on respondents' former occupation. While the final employer's pension plan provided the largest part of income for about half of retired faculty, Social Security was the primary source of income for about half of the retired support staff. The last employer's pension plan was reported as the largest income source by less than a fifth of administrative and maintenance support staff. Somewhat surprisingly, Social Security was reported as the largest income component by 16% of retired faculty and by 29% of former administrators and managers.

Household Income

Overall, the median of respondents' reported household income (from all sources) was $30,000 (Table 5). Twenty-nine percent reported household incomes of $20,000 or less; 21%, $20,001 to $30,000; 16%, $30,001 to $40,000; 19%, $40,001 to $60,000; and 15%, more than $60,000.

Household income varied markedly according to former occupation. The median for retired faculty was $44,000; for administrators or managers, $34,000; for professional or technical staff, $27,400; for administrative support staff, $23,100; and for maintenance support staff, $15,800.

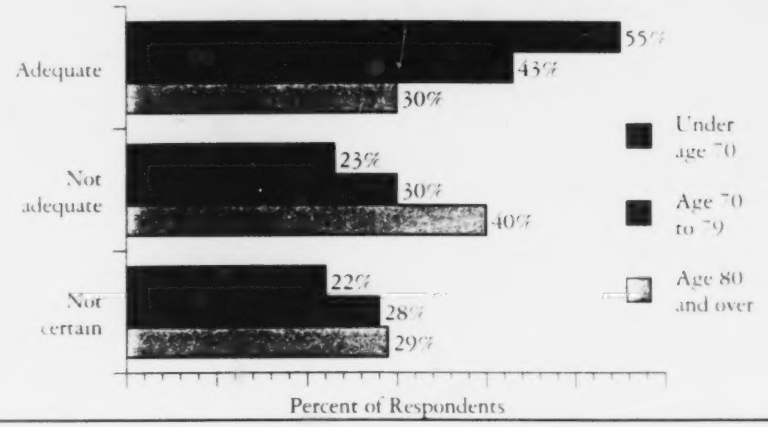
Attitudes about Finances

Despite the considerable range of reported incomes, most respondents seemed to consider themselves reasonably well off financially. Three-quarters (77%) indicated their overall financial situation in general was "about the same as" or "better than" when they retired; only 16% said it was worse. Another 4% were not certain, and 3% gave no answer.

There was a close relation between financial status and level of general satisfaction in retirement. About three-fifths of those who felt their overall financial situation was now about the same as or better than when they retired were very satisfied with retirement, compared with about one-fourth of those who felt their financial situation was now worse.

Chart 3

Retirees' Views about the Adequacy of the Institution's Retirement Plan, by Current Age of Respondent



A majority believed their incomes allowed them to live well: 27%, very well; 58%, well (Chart 5). Thirty-one percent reported that they were living "adequately" and 4%, "not too well." By former occupation, those who reported living "adequately" or "not too well" ranged from a low of 22% of former faculty, to a high of 62% of former maintenance staff.

Because of the cumulative effects of inflation on living standards, it seemed possible that older respondents might be less likely to say they were living "very well" on their retirement income, and more likely to say "adequately" or "not too well." But it does not appear to be the case here. For all age groups, the percentages saying "adequately" or "not too well" were almost the same, averaging about 36%.

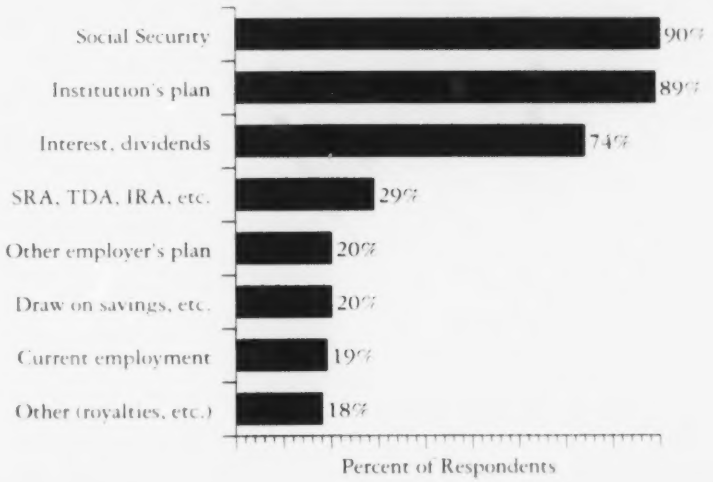
Respondents were asked if they had made any major adjustments in lifestyle because of increases in the cost of living since they retired. A fourth answered in the affirmative. These adjustments typically took such forms as reduced travel or vacations and less "eating out."

Employment and Other Activities during Retirement

Forty percent of all respondents reported that they had worked for salary or other compensation since retiring, al-

Chart 4

Sources of Household Retirement Income



though only 24% had expected to do so. Of those who had worked, a great majority (83%) worked part-time rather than full-time. Faculty were most likely to have worked after retiring (51%), support staff least likely (26%).

Strictly financial reasons did not appear to have played a major role in decisions to work during retirement. But there were significant differences according to respondents' former occupation. While just 8% of former faculty and administrators said they returned to work for financial reasons alone, the figure for professional or technical staff was 17%; for administrative support staff, 21%; and for maintenance support staff, 32%. For all occupational groups except the maintenance staff, nonfinancial reasons remained a principal reason for returning to work.

Contacts between Institution and Retired Staff

Fifty-eight percent of respondents replied favorably to the question of how their institution had performed in maintaining contacts with retirees and in providing privileges and activities. Thirty percent gave an evaluation of fair or poor; 10% were not certain; and 2% gave no answer.

Asked to comment on institutional contacts, retirees frequently said that they appreciated receiving copies of publications distributed to active staff, thus enabling them to keep abreast of what was going on at the institution. They also expressed appreciation for invitations to campus activities and functions. Contacts and information, they felt, helped maintain valued links with the campus community. Where communications were inadequate, there were comments such as: "I gave them dedicated service for over thirty years and then retired. I haven't heard a word since."

Housing and Location

About a third of respondents (31%) indicated their present home was not the one they lived in before they retired. About half of those who moved had done so about the time they retired, the other half sometime afterwards. Of those who moved, 70% had moved to a different area. The most frequently stated reason(s) for moving were to be nearer family or friends, to live in a better climate, and to reduce home maintenance responsibilities.

Other researchers have suggested that there are two types of moves by elderly people. One is a move made close to retirement, particularly by married couples in good health and with better-than-average financial resources. The other is an adjustment move, when chronic disabilities develop at the higher ages and make it hard to perform everyday household tasks.[6] The data from our survey tend to bear this out. Of respondents who had moved later rather than when they retired, 63% were aged 80 and over, compared with 39% aged 70 or under.

Eighty-two percent of all respondents owned their homes; 11% rented. Among owners, slightly less than a fourth said they were still making mortgage payments.

Health Concerns

On the whole, most respondents reported relatively good health. Forty-five percent described their health—in relation to others their age—as excellent or good, while 40% said it was fair, and 11%, poor. The others gave no answer. Compared with younger retirees, older retirees reported less favorably on their health relative to others their age. Those

Table 4

Percent of Respondents Reporting the Largest Portion of Retirement Income from Social Security or from a Pension Plan, by Former Occupation

Former Occupation	Social Security Largest	Pension Plan of Final Employer Largest	Other Private or Public Sector Pension Plan Largest
All respondents	32%	31%	6%
Faculty	16	48	7
Administration or management	29	36	8
Professional or technical staff	36	30	7
Administrative support staff	48	17	5
Maintenance support staff	55	10	3

Table 5

Household Incomes of Retirees by Former Occupation
Percent of Respondents[a]

Household Income	Total Respondents	Faculty	Admin. or Mgt.	Prof. or Tech. Staff	Admin. Support Staff	Maint. Support Staff
$10,000 or less	7%	1%	3%	5%	7%	22%
10,001 - 20,000	22	7	17	25	34	48
20,001 - 30,000	21	16	22	27	29	20
30,001 - 40,000	16	20	20	19	15	6
40,001 - 50,000	11	15	13	9	7	2
50,001 - 60,000	8	13	8	6	3	1
60,001 - 70,000	5	8	6	4	2	—
Over $70,000	10	19	11	5	2	—
Median	$30,000	$44,000	$34,000	$27,400	$23,100	$15,800
Number reporting household income	17,827[b]	7,305	2,351	1,908	2,713	2,711

[a] Some percentages may not add to 100 because of rounding.
[b] Occupational totals do not add to total respondents because not all retirees reported their former occupation.

who were married tended to report somewhat better health than those who were single or widowed. There were also occupational differences. Former faculty, administrators, and managers were more likely to report excellent or good health (53%) than were former maintenance staff (26%).

About three-fourths of respondents gave a favorable evaluation of their health insurance coverage: 23%, very good; 54%, adequate; 15%, less than adequate or poor. Another 5% were not certain, and 3% gave no answer. Retirees aged 80 and over were somewhat more likely to say their health insurance was less than adequate or poor than those under age 70 (20% versus 14%).

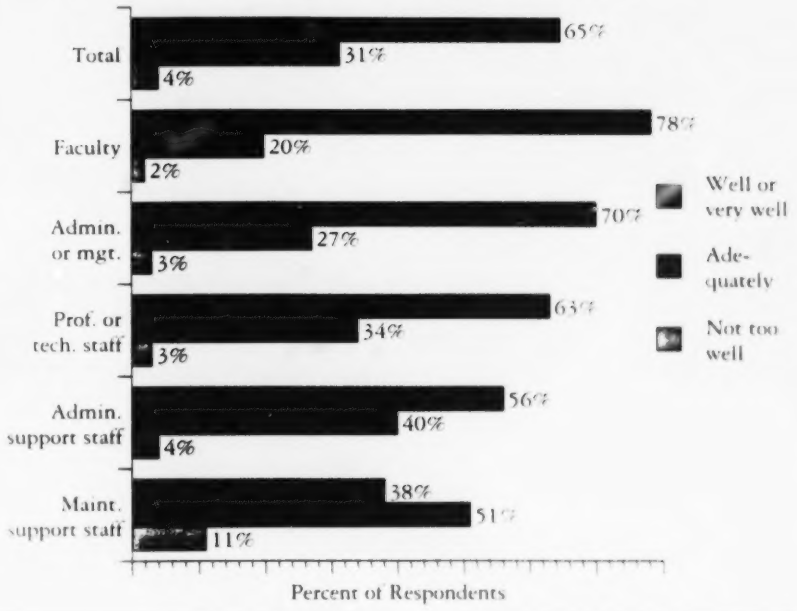
Eleven percent of retirees reported no health insurance other than Medicare, if they were eligible for it. Of those reporting additional or other coverages, four-fifths were covered under the group plan of a former employer and one-fifth under individually purchased policies, with some overlap.

Slightly more than one-tenth (13%) of respondents indicated they had an individual long-term care policy, described in the questionnaire as "insurance that would pay part or all of your expenses for nursing home costs or the cost of caring for you at home."[7] A few (2%) said they had never heard of long-term care insurance; another 9% were not certain whether they had the coverage or gave no answer.

Despite the fact that three-quarters of respondents gave a good or adequate rating to their current health insurance coverage, many were not sanguine about the future. In written commentaries, some respondents voiced fears that escalating premiums would take increasing portions of retirement income, leaving less for other needs or necessitating a reduction in health care protection. Others expressed concern over rapidly rising medical costs and the increasing deductibles or coinsurance amounts that some employers have introduced for both active and retired employees.

Chart 5

How Well Retirees Say They Are Living, by Former Occupation



Other fears focused on the need for protection against the costs of long-term care for chronic illnesses, particularly in later years.

Happiness with Life

Taking all things together, more than half (54%) of respondents said they were now generally "very happy" with life; another two-fifths (39%) said they were "fairly happy." Only 4% indicated they were "not too happy" with life, and another 4% gave no answer.

Former faculty and administrators (60%) were more likely to report that they were "very happy" with life in retirement than were former maintenance staff (42%); the married and never-married fared better than the divorced or the widowed; and younger retirees more often reported they were very happy in retirement than did older retirees.

Generally, retirees' current overall financial situation seems to correlate with their outlook on retired life. More of those whose current overall financial situation was better now than when they retired reported that they were very happy with life (68%) than did those whose financial situation was about the same (56%). Only a third of those who said their overall financial situation was worse than when they retired indicated they were now very happy with life.

Conclusion

The NACUBO/TIAA-CREF study has provided important and encouraging information on the condition of former college and university personnel in retirement. Almost all (93%) are at least fairly happy with life, and 92% are at least reasonably satisfied with retirement. Three-quarters indicated their overall financial situation was in general about the same as or even better than when they retired. A majority reported their incomes allowed them to live well or very well, although there were differences according to former occupation. Support staff were not faring nearly as well as those from other occupational groups.

Although nine-tenths of all respondents reported that in general they are now either very satisfied or reasonably satisfied with the preparations they made for retirement, a third said they wish they had given more attention to some areas; in most cases the area was "finances."

Individuals can do much to affect the quality of the retirement experience. The survey results show that overall attitudes toward retirement depend not only on the retiree's financial situation, which is important, but also on the extent of advance planning for retirement—including cultivating activities and interests, participating in programs for exercise and health care, and actively maintaining social contacts.

Institutions can also make major contributions toward improving the quality of life for staff members who move into and experience retirement. Possible institutional activities, as suggested by the survey and commentaries, include the following:

- ▲ Carry on an educational program to make staff aware of potential length of life and financial needs in retirement; encourage early planning so individuals will have time for productive action. Provide workshops and information programs on the broader aspects of retirement planning for staff members and spouses.
- ▲ Facilitate personal financial planning for retirement. Help provide relevant information and/or financial planning assistance. In addition to the regular pension plan, offer tax-deferred supplemental annuity plans for retirement, with appropriate investment options. Encourage their use.
- ▲ Publish a retirement guide and benefits manual so faculty and staff will know what should be done and when; what benefits and resources are available; and what procedures to follow. Provide personal guidance or information centers for those who need additional assistance with the retirement process. Access to friendly, knowledgeable help seems to make staff members feel better about retirement and about their institution.
- ▲ Provide for continued participation by retirees, spouses, and eligible dependents in the employer's group health insurance plan. Many employers share in the cost of coverage for retired employees, but even if retirees must pay the full premium, group insurance coverage is usually better and less costly than individually purchased policies.
- ▲ Maintain communication with retirees through such devices as newsletters and invitations to campus events. Extend to them campus privileges available to current employees of the same type, perhaps with modifications in price and form. Especially welcome are parking permits, library cards and carrels, use of athletic facilities, cafeteria or faculty dining room privileges, admission to lectures and to athletic and cultural events.
- ▲ Facilitate the establishment and operation of an organization for retired staff. Active groups provide social contacts, a sense of belonging, shared information, assistance in various areas, and opportunities for service.
- ▲ Encourage continuing relationships between current department members and retired faculty as mutually desirable. Many retired faculty would like to stay involved—attend seminars, exchange ideas, have office space, give a lecture, work with students. Such contacts can also benefit the department.

As the examples illustrate, institutions can do many things to help retired staff feel valued and wanted. But a personnel policy and retirement program reflecting thoughtfulness and concern doesn't only enrich retirement for former staff. It can also enhance morale for the active faculty and staff. *(This report was prepared for* Research Dialogues *by Dr. Peggy Heim, Senior Research Officer, TIAA-CREF.)* ❑

References

[1] James M. Mulanaphy, *Lessons on Retirement: A Statistical Report of the 1982-83 Survey of Retired TIAA-CREF Annuitants* (New York: TIAA-CREF, 1984).

[2] P. Brett Hammond and Harriet P. Morgan, eds., *Ending Mandatory Retirement for Tenured Faculty: The Consequences for Higher Education*, report of the Committee on Mandatory Retirement in Higher Education (Washington, D.C.: National Academy Press, 1991), 2.

[3] We also compared age patterns of retirement for recent and less recent retirees in the nonfaculty occupational groups. For these groups overall, the percentage of recent retirees who worked to ages beyond 65 averaged 2.4 percentage points higher than for the less recent retirees.

[4] Hammond and Morgan, *Ending Mandatory Retirement for Tenured Faculty*, 26.

[5] G. Gregory Lozier and Michael J. Dooris, *Faculty Retirement Projections Beyond 1994: Effects of Policy on Individual Choice* (Boulder, Colo.: Western Interstate Commission for Higher Education, 1991), xi; G. Gregory Lozier and Michael J. Dooris, "Elimination of Mandatory Retirement: Anticipating Faculty Response," paper presented at the meeting of the American Association for Higher Education, San Francisco, April 1, 1990; Albert Rees and Sharon P. Smith, *Faculty Retirement in the Arts and Sciences* (Princeton, N.J.: Princeton University Press, 1991).

[6] Charles F. Longino, Jr., David J. Jackson, Rick S. Zimmerman, and Julia E. Bradsher, "The Second Move: Health and Geographic Mobility," *Journal of Gerontology* 46 (July 1991): S218, S224.

Other research also indicates that indexes of functional ability, but not subjective health reports, tend to be very good predictors of living arrangements of the elderly; that when changes in living arrangements occur, they are often triggered by changes in health status or the death of a spouse; and that when such events lead to a change in living arrangements, they typically occur within a year of the triggering event. See Axel Boersch-Supan, Laurence J. Kotlikoff, and John N. Morris, "The Dynamics of Living Arrangements of the Elderly," *NBER Working Paper Series*, no. 2787 (Boston: National Bureau of Economic Research, December 1988), 1-24.

[7] The proportion of respondents reporting long-term care policies (13%) seems high, and may reflect some misunderstanding of whether the question refers to conventional acute care coverages, or to long-term care. Information from other sources suggests that relatively few active employees—between 5% and 15%—purchase for themselves long-term care coverage offered by their employers, and less than 1% purchase the coverage for their parents (*Wall Street Journal*, 15 July 1991, B1).